

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1812-01  
Bill No.: HB 771  
Subject: Employees - Employers; Labor and Management; Liability  
Type: Original  
Date: April 25, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Various	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Various	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Division of Personnel** assume, in a similar proposal from the current session (SB 428), that the proposed legislation would have an unknown fiscal impact on federal, state and local funds.

Officials from the **Missouri Commission on Human Rights (MCHR)** assume that the proposed legislation will not cost state agencies or political subdivisions more than \$500 in the aggregate. The MCHR also assumes that the proposed legislation will not cost private entities more than \$500 in the aggregate

Officials from the **Department of Transportation (DHT)** assume that the issue of whether or not the Missouri Highways Transportation Commission (MHTC) can be sued under the Missouri Human Rights Act (MHRA) is currently on appeal. DHT assumes that if the court finds that the MHTC may be held liable under the MHRA, that their sovereign immunity is explicitly waived by the provisions of the act, and therefore, these changes will have a fiscal impact on their agency. Under the MHRA, there is no cap on compensatory damages and nothing prohibits punitive damages against the state. DHT assumes the MHTC could be greatly impacted by the proposed changes and claims against the MHTC in this area would increase. DHT states that the MHTC could be held liable for an extensive amount of damage awards, however, the fiscal impact cannot be determined.

Officials from the **Departments of Conservation, Labor and Industrial Relations**, and the **Office of State Courts Administrator** assume that the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Missouri State Highway Patrol** assume, in a similar proposal from the current session (SB 428), that the proposed legislation would have no fiscal impact on their agencies.

### FISCAL IMPACT - State Government

FY 2002  
(10 Mo.)

FY 2003

FY 2004

### **VARIOUS STATE FUNDS**

Cost - Potential Liability

(Unknown)

(Unknown)

(Unknown)

FISCAL IMPACT - Local Government

FY 2002  
(10 Mo.)

FY 2003

FY 2004

**LOCAL GOVERNMENT**

Cost - Potential Liability

(Unknown)

(Unknown)

(Unknown)

FISCAL IMPACT - Small Business

Small businesses could be fiscally impacted by the provisions of this proposal.

DESCRIPTION

This proposal provides a standard for vicarious liability of an employer for actions of a supervisor in harassment claims and allows an affirmative defense to be raised in certain cases. The proposal also specifies that the rule making authority of the Missouri Commission on Human Rights does not extend to establishing standards of employer liability.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Conservation  
Department of Labor and Industrial Relations  
Department of Transportation  
Office of Administration - Division of Personnel  
Office of State Courts Administrator  
Missouri State Highway Patrol  
Human Rights Commission



Jeanne Jarrett, CPA  
Director

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